



# NEWS

**Federal Communications Commission**  
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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**FCC GRANTS APPLICATION FOR TRANSFER OF CONTROL OF  
TELECOMUNICACIONES DE PUERTO RICO, INC. (TELPRI) FROM  
VERIZON COMMUNICATIONS, INC. TO AMÉRICA MÓVIL, S.A. DE C.V.**

Washington, D.C. – Today, the Federal Communications Commission (FCC) adopted a *Memorandum Opinion and Order and Declaratory Ruling* that grants the application for transfer of control of Telecomunicaciones de Puerto Rico, Inc. (TELPRI) and petition for declaratory ruling filed by Verizon Communications, Inc. and América Móvil, S.A. de C.V. (América Móvil). TELPRI is a holding company that owns the Puerto Rico Telephone Company (PRTC) and PRT Larga Distancia (PRT LD). PRTC is the incumbent local exchange carrier in Puerto Rico, and holds FCC authorizations and licenses for the provision of wireline and wireless services in Puerto Rico. PRT LD provides long distance service between Puerto Rico and U.S. domestic and international points. América Móvil is a Mexican company that provides telecommunications services to 14 countries in the Americas.

The Commission found that the applications demonstrated that the transfer of control would result in public interest benefits. First, América Móvil has experience in designing products for rural and low income populations. Second, América Móvil should expedite the deployment of state-of-the-art mobile telephony, including third generation networks. Third, América Móvil has advantages of scope and scale in bringing mobile telephony to customers. The Commission found that the transaction will not likely result in public interest harms or anticompetitive effects in the wireline or mobile telephony markets in Puerto Rico.

The Commission imposed two conditions related to foreign ownership. First, América Móvil must obtain prior Commission approval, under section 310(b)(4) of the Act, before the company goes private or issues more than five percent of the equity or voting interests of the company. Second, América Móvil must notify the Commission within 10 days of notification to the company that a person has acquired more than five percent of any class of equity security of the company. These conditions are designed to provide the Commission with a high level of confidence that América Móvil, and the proposed foreign ownership that will be held in PRTC through its U.S. parent, TELPRI, will continue to have its principal place of business in, and be managed by citizens of, Mexico or another WTO-Member country.

In addition, the Commission conditioned its approval of this transaction on América Móvil investing 1 billion dollars over five years to improve service in Puerto Rico. Moreover, the Commission stated that América Móvil must comply with all applicable U.S. laws, regulations, rules and orders, including the obligation to report broadband availability and telephone penetration data. América Móvil must also provide a written report to the Commission on an annual basis describing the progress it has made in deploying infrastructure used to provide basic telephone and broadband services in Puerto Rico. This report, which shall include quantifiable and verifiable data, shall be due to the Commission on December 31 of each calendar year.

Finally, the Order grants the national security and law enforcement conditions requested by the Executive Branch agencies.

Action by the Commission March 26, 2007, by Memorandum Opinion and Order and Declaratory Ruling (FCC 07-43). Chairman Martin, Commissioners Tate and McDowell with Commissioners Copps and Adelstein approving in part, dissenting in part, and issuing separate statements.

WT Docket No. 06-113

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